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Approved For Release 2000/08/30 : CIA-RDP81-00755R000100080021-3

Office Memorandum • UNITED STATES GOVERNMENT

TO : Executive

FROM : Budget Officer

SUBJECT: Amendment of Confidential Funds Regulations

DATE: 5 January 1950

*POLICY - ENTERTAINMENT**cc: filed - CFR Amendments, etc*

1. As a result of discussions and determinations which have been made based on the recent audit of entertainment accounts in the Finance Division, Special Support Staff, it is desired to recommend that Page 17 of the Confidential Funds Regulations be revised to read as follows:

"purpose and nature of entertainment, the number of persons, the names of participating CIA employees and the guests entertained (or in lieu of the latter a statement to the effect that the names of guests entertained are on file in the operating office and will be available for examination by an appropriate official upon request), a description of their occupations or the capacities in which the persons entertained were acting, or other data acceptable to the Certifying Officer.

a. No reimbursement will normally be allowed for the expenses of entertaining officers or employees of the United States Government exclusively. However, where such persons necessarily are present or incidental to the contacting of other individuals or the procurement of confidential information or special services, such expenses may be allowed. For entertainment meals within the continental United States there shall be deducted \$1.00 for each CIA employee present. The official presenting the claim for reimbursement shall make appropriate deductions on the Voucher for each CIA official entertained. Each Assistant Director concerned may authorize a similar policy outside the continental United States where deemed appropriate.

b. Official entertainment expenses incurred by an officer or employee at an overseas post to maintain social prestige by reason of his official position will not be included or paid on vouchers for reimbursement of entertainment expenses. Expenses of the above nature will be reimbursed by means of the representation allowance provided for in 6.3".

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2. It is believed that this revision of the applicable portion of Section 7.2 of the Confidential Funds Regulations as recommended above will rectify some of the weaknesses which were covered by the audit report. It will also tend to assist the Finance Division in administering the regulations pertaining to entertainment and will result in more appropriate reimbursement and uniformity in the application of the rules and procedures.

3. The underscoring indicates new wording.

[REDACTED]

E. R. SAUNDERS

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Concurred In:

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General Counsel

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